



FINANCE COMMITTEE AGENDA
Room 700, Law and Justice Center

Tuesday, May 6, 2003

4:00 P.M.

1. Roll Call
2. Approval of Minutes – April 1, 2003
3. Departmental Matters:
 - A. Robert Kahman, Supervisor of Assessments
 - 1) Items to be presented for Information:
 - a) Assessment Status Report
 - b) General Report
 - c) Other
 - B. Becky McNeil, County Treasurer
 - 1) Items to be presented for Information:
(Documents to be provided at meeting)
 - a) Accept and place on file the County Treasurer's Report as of April 30, 2003
 - b) Accept and place on file the County Treasurer's Investment Report as of April 30, 2003
 - c) General Report
 - d) Other
 - C. Don Lee, Nursing Home Administrator
 - 1) Items to be presented for Information:
 - a) Monthly Report
 - b) General Report
 - c) Other

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- D. Jennifer Ho, Risk Management
 - 1) Items to be presented for Information:
 - a) Risk Management Fund Report 5-10
 - b) General Report
 - c) Other

- E. Jack Mitchell, County Highway Department
 - 1) Items to be presented for Action:
 - a) EXECUTIVE SESSION: Personnel Matter

 - 2) Items to be Presented for Information:
 - a) General Report
 - b) Other

- F. John M. Zeunik, County Administrator
 - 1) Items to be presented for Action:
 - a) Request Approval of CDAP Revolving Loan Fund Recapture Guidelines 11-23
 - b) Request Approval of CDAP Revolving Loan Fund Public Works Loan: Replacement of Exterior Dryvit Panels at 200 West Front Street Building 24-29
 - c) Request Approval of Proposed Resolution Establishing the Budget for Fiscal Year 2004 30-42

 - 2) Items to be presented for Information:
 - a) General Report
 - b) Other

- 4. Recommend payment of bills and transfers, if any, to County Board

- 5. Adjournment

Assessment Status Report

Township	Book to S/A	To Printer	To Publisher	Newspaper	Publication Date of	Final Filing Date	2001 Factor	2002 Factor	Complaints Filed	B/R's Filed	Books Closed
Allin	08/08/02	09/25/02	09/25/02	Pantagraph	09/29/02	10/29/02	1.0629	1.0561	8	6	2/26/2003
Anchor	12/20/02	12/26/02	12/30/02	Ridgeview Review	01/02/03	02/03/03	1.0586	1.0323	8		2/27/2003
Arrowsmith	09/13/02	09/26/02	09/26/02	Pantagraph	10/02/02	11/01/02	1.0335	1.0000	1	3	11/20/2002
Bellflower	11/19/02	11/23/02	11/23/02	LeRoy Journal	12/04/02	01/03/03	1.0278	1.0943	4	1	3/3/2003
Bloomington	01/22/03	01/24/03	01/24/03	Pantagraph	01/29/03	02/28/03	1.0228	1.0215	37	123	3/17/2003
Blue Mound	10/02/02	10/05/02	10/07/02	Ridgeview Review	10/10/02	11/12/02	1.0208	1.0419	8	1	12/16/2002
Cheney's Grove	10/29/02	10/31/02	11/01/02	Ridgeview Review	11/07/02	12/09/02	1.0154	1.0585	3	5	2/21/2003
Chenoe	09/27/02	09/28/02	09/30/02	Chenoe Town Crier	10/03/02	11/04/02	1.0638	1.0177	14	5	12/16/2002
City	12/27/02	12/30/02	12/30/02	Pantagraph	01/08/03	02/07/03	1.0461	1.0412	349	91	3/20/2003
Cropsey	12/20/02	12/26/02	12/30/02	Ridgeview Review	01/02/03	02/03/03	1.0568	1.0000	2	1	3/4/2003
Dale	12/10/02	12/12/02	12/12/02	Pantagraph	12/17/02	01/16/03	1.0201	1.0283	4	5	2/27/2003
Danvers	11/07/02	11/09/02	11/11/02	Quill	11/14/02	12/16/02	1.0385	1.0362	9	4	1/6/2003
Dawson	10/21/02	10/21/02	10/21/02	Pantagraph	10/25/02	11/25/02	1.0406	1.0000	3	10	1/13/2003
Downs	10/11/02	10/14/02	10/14/02	Pantagraph	10/18/02	11/18/02	1.0098	1.1121	18	10	1/6/2003
Dry Grove	01/14/03	01/14/03	01/15/03	Quill	01/23/03	02/24/03	1.0165	1.0663	41	4	3/18/2003
Empire	10/31/02	11/02/02	11/02/02	LeRoy Journal	11/06/02	12/06/02	1.0258	1.0526	25	9	1/27/2003
Funk's Grove	01/14/03	01/15/03	01/15/03	Heyworth Star	01/23/03	02/24/03	1.0644	1.0906	6		3/17/2003
Gridley	10/08/02	10/09/02	10/14/02	Gridley Village Times	10/17/02	11/18/02	1.0488	1.0122	18	2	1/6/2003
Hudson	10/09/02	10/11/02	10/14/02	Quill	10/17/02	11/18/02	1.0204	1.0702	11	3	2/27/2003
Lawndale	12/20/02	12/26/02	12/30/02	Ridgeview Review	01/02/03	02/03/03	1.0377	1.0000	1		2/20/2003
Lexington	11/26/02	12/03/02	12/03/02	Lexingtonian	12/12/02	01/13/03	1.0979	1.0192	22	5	3/12/2003
Martin	10/02/02	10/05/02	10/07/02	Ridgeview Review	10/10/02	11/12/02	1.0609	1.0476	16	2	12/9/2002
Money Creek	11/19/02	11/22/02	11/25/02	Lexingtonian	11/28/02	12/30/02	1.0178	1.0539	24	5	2/18/2003
Mount Hope	01/14/03	01/16/03	01/16/03	Heyworth Star	01/23/03	02/24/03	1.0625	1.0107	9	4	3/14/2003
Normal	12/24/02	01/08/03	01/16/03	Normalite	01/16/03	02/18/03	1.0403	1.0396	129	241	3/20/2003
Old Town	11/15/02	11/16/02	11/16/02	Pantagraph	11/22/02	12/23/02	1.0352	1.0490	21	14	3/6/2003
Randolph	10/02/02	10/04/02	10/04/02	Heyworth Star	10/10/02	11/12/02	1.0111	1.0350	16	17	3/21/2003
Towanda	12/18/02	12/20/02	12/20/02	Pantagraph	12/26/02	01/27/03	1.0370	1.0582	13	3	3/10/2003
West	10/29/02	11/01/02	11/01/02	LeRoy Journal	11/06/02	12/06/02	1.1085	1.1385		2	12/17/2002
White Oak	07/08/02	09/23/02	09/23/02	Quill	09/26/02	10/28/02	1.0000	1.0000	1		11/25/2002
Yates	12/20/02	12/26/02	12/30/02	Chenoe Town Crier	01/02/03	02/03/03	1.0858	1.0323			2/10/2003
									821	576	

AN COUNTY NURSING HOME

UED EXPENDITURE

April 24, 2003

	BUDGET	2003 MONTHLY ALLOC	MAR,2003 ACCURED EXPENSE	YTD ALLOC	ADJUSTED YTD EXPENSE	REMAINING BUDGET	YTD VARIANCE AMOUNT	PER CENT OF BUDGET SPENT	PROJECTED EXPENSE	PROJECTED VARIANCE
RIES	3,038,047	258,026	263,953	749,107	764,147	2,273,900	15,039	0	3,099,039	60,992
	141,573	12,024	12,300	34,908	35,067	106,506	158	0	142,216	643
LIFE	324,233	10,212	27,538	79,948	79,948	244,285	0	0	324,233	0
SEC	232,411	19,739	20,192	57,307	57,567	174,844	260	0	233,466	1,055
JAB	25,000	2,123	2,123	6,164	6,164	18,836	0	0	25,000	0
SACK	0	0	0	0	0	0	0	#DIV/0!	0	0
ONNEL	3,761,264	302,124	326,107	927,435	942,893	2,818,371	15,458	0	3,823,953	62,690
MODITIES	609,731	51,785	62,172	150,345	142,766	466,965	(7,578)	0	578,997	(30,734)
RACTUAL	1,187,805	100,695	96,791	292,883	285,932	901,873	(6,951)	0	1,159,613	(28,192)
AL	168,370	14,300	0	41,516	8,272	160,098	(33,244)	0	33,548	(134,822)
ID TOTAL	5,727,170	468,904	485,069	1,412,179	1,379,863	4,347,307	(32,316)	0	5,596,111	(131,059)

AN COUNTY NURSING HOME

UED REVENUE

April 24, 2003

	BUDGET	2003 MONTHLY ALLOC	MAR,2003 ACCURED REVENUE	YTD ALLOC	ADJUSTED YTD REVENUE	REMAINING BUDGET	YTD VARIANCE AMOUNT	PER CENT OF BUDGET	PROJECTED REVENUE	PROJECTED VARIANCE
CARE REVENUE	775,400	65,856	82,205	191,195	225,002	550,398	33,807	0	912,508	137,108
REVENUE	2,454,698	208,481	196,634	605,268	560,407	1,894,291	(44,861)	0	2,272,761	(181,937)
OLING REIMB	0	0	0	0	0	0	0	#DIV/0!	0	0
AUNDRY	7,100	603	348	1,751	2,043	5,057	292	0	8,286	1,186
OOD	31,501	2,675	1,747	7,767	9,446	22,055	1,679	0	38,309	6,808
S	500	42	12	123	148	352	25	0	600	100
AY REVENUE	1,766,600	150,040	168,707	435,600	492,377	1,274,223	56,777	0	1,996,863	230,263
ASS	7,300	620	94	1,800	680	6,620	(1,120)	0	2,758	(4,542)
REST EARNED	60,000	5,096	2,776	14,795	8,309	51,691	(6,485)	0	33,699	(26,301)
OF ASSETS	0	0	0	0	0	0	0	#DIV/0!	0	0
SFER IN	373,723	31,741	32,602	92,151	93,375	280,348	1,224	0	378,689	4,966
PHONE REIMB	0	0	750	0	2,250	(2,250)	2,250	#DIV/0!	9,125	9,125
L L ACC REVENUE	5,476,822	465,155	485,874	1,350,449	1,394,038	4,082,784	43,589	0	5,653,599	176,777

L L ACC REVENUE

ACCURED EXPENS

(5,727,170)

465,155	485,874	1,350,449	1,394,038	4,082,784	43,589	0	5,653,599	176,777
(468,904)	(485,069)	(1,412,179)	(1,379,863)	(4,347,307)	32,316	0	(5,596,111)	(131,059)

REV - (ACC EXP)

(250,348)

(3,750)	805	(61,730)	14,175	(264,523)	75,905		57,488
0	0	41,516	8,272	160,098	(33,244)		33,548

BALANCE

(250,348)

10,550	805	(20,214)	22,447	(104,425)	42,661		91,035
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MARCH

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOT	AVG
PRE	9	9	10	10	10	9	8	7	7	8	7	7	6	6	6	6	6	6	7	8	8	8	7	8	7	6	5	4	4	4	4	221	
-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2	2	2	2	2	2	14	
-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	98	
-	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	
-	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	17	
TOTAL	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	384	
RT	4	4	4	4	4	4	4	3	3	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	122	
-	69	69	69	69	69	69	69	69	69	69	69	69	68	68	68	68	68	68	69	69	69	69	69	70	70	70	70	70	70	71	2144		
-	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	168		
-	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	45	45	45	45	45	45	45	1370	
TOTAL	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	384	
PRE	9	9	10	10	10	9	8	7	7	8	7	7	6	6	6	6	6	6	7	8	8	8	7	8	7	6	5	4	4	4	4	221	
-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14	
-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	98	
-	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	
-	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	17	
TOTAL	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	384	
HOUSE	13	13	12	12	13	13	13	13	13	13	13	14	14	15	16	16	16	17	16	17	16	17	16	14	14	14	14	14	14	14	13	1208	
UES	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
TY																																	

McLEAN COUNTY NURSING HOME

CENSUS Report - 2003

MONTH	AVG MEDICARE	AVG PVT PAY	AVG IDPA	AVG BED HOLD	AVG CENSUS	AVG VACANT
JANUARY	10.06	47.29	78.29	0.55	136.19	13.81
FEBRUARY	10.68	48.36	76.14	1.50	136.68	13.32
MARCH	7.13	50.29	76.68	1.65	135.80	14.20
APRIL						
MAY						
JUNE						
JULY						
AUGUST						
SEPTEMBER						
OCTOBER						
NOVEMBER						
DECEMBER						

YTD AVERAGE	9.29	48.64	77.05	1.25	136.22	13.78
% OF CAPACITY	6.19%	32.42%	51.37%	0.83%	90.81%	9.19%



RISK MANAGEMENT OFFICE

TEL: (309) 888-5940 FAX: (309) 888-5949
104 West Front Street P. O. Box 2400

E-MAIL: riskmgt@mclean.gov
Bloomington, IL 61702-2400

Memo To: Mr. Matt Sorensen, Chairman
Members of the Finance Committee

From: Jennifer Ho, Risk Manager

Jan Ho

Date: May 2, 2002

Subject: Risk Management Fund Report – First Quarter 2003

The Risk Management Fund report as of March 31, 2003 as provided in Table 1 is enclosed for your perusal and the comparative first 3 month experience for five latest years are also provided in Table 2.

Since the December 2002 report to you, the County has not settled any tort claims in excess of \$ 10,000. Furthermore, we are reporting that we have the lowest claims experience for the first quarter of the year during the most recent 5 year period of time. We are however reporting two new lawsuits arising from prior years filed against the County. At this point in time, we are reporting no significant claims exposure of a material nature against the County.

I am also taking the liberty of including graphical claims analysis of the County's workers' compensation claims provided by our third party claims administrator from 1996 to 4/11/03 as follows:

Attachment # I: Average Cost per Claim – indicates the average claims cost for each year in consideration. The graph indicates an otherwise stable average claims experience which can be skewed by an unusually high severity claim as indicated by FY 1999.

Attachment # II: Number of Claims per year – indicates a relatively stable claims experience of less than 80 claims per year since 1996. In FY 2001, twenty-seven minor medical claims were handled inhouse, for a total claims count of 71, for which the amounts of which were not included in the TPA's report.

Attachment # III: Total Incurred by Year – indicates the paid claims amounts and claims reserves for each year, which reflects the general claims count pattern of the County. It should be noted that the claims dollars have not been adjusted for medical costs and indemnity inflation factors.

Attachment # IV: Indemnity Claims Cost for McLean County Vs. Insurance Market – is an indication of the County's favorable indemnity savings when compared to the Illinois insurance market.

I am available to answer any questions that you may have with respect to this report. Thank you.

W/encs.

McLEAN COUNTY RISK MANAGEMENT FUND
AS OF March 31, 2003

TABLE 1: CUMULATIVE CLAIMS SUMMARY BY LINE

CLAIM TYPE	ALL	OPN	PD LOSSES	RESERVES	RECOVRS	INCRD LOSSES
A. AUTO PHYSICAL DAMAGE:						
PY 1992 - 1996	77	0	\$ 93,083	0	\$ 11,609	\$ 81,474
PY 1997	4	0	20,796	0	0	20,796
PY 1998	3	0	13,785	0	2,225	11,560
PY 1999	13	0	17,746	0	0	17,746
PY 2000	12	0	14,110	0	3,055	11,055
PY 2001	6	0	8,915	0	846	8,069
PY 2002	8	0	52,866	0	32,046	20,820
PY 2003	0	0	0	0	0	0
B. AUTO LIABILITY:						
PY 1992 - 1996	25	0	\$ 26,454	0	\$ 8,887	\$ 35,341
PY 1997	2	0	3,741	0	0	3,741
PY 1998	6	0	10,431	0	2,500	7,931
PY 1999	5	0	44,748	0	0	44,748
PY 2000	3	0	7,019	0	0	7,019
PY 2001	4	0	3,301	0	0	3,301
PY 2002	1	0	724	0	0	724
PY 2003	0	0	0	0	0	0
C. GENERAL LIABILITY:						
PY 1992 - 1996	43	0	\$ 125,418	0	\$ 42,298	\$ 83,120
PY 1997	10	1	80,182	60,278	0	140,460
PY 1998	6	0	3,141	0	0	3,141
PY 1999	9	1	20,368	5,000	0	25,368
PY 2000	11	1	7,487	2,018	0	9,505
PY 2001	9	2	12,513	13,671	0	26,184
PY 2002	1	0	489	0	0	488
PY 2003	0	0	0	0	0	0
D. WORKER'S COMPENSATION:						
PY 1992 - 1996*	450	3	\$ 2,870,082	\$ 450,126	\$ 1,748,482	\$ 1,572,453
PY 1997**	76	1	220,578	61,286	10,520	271,344
PY 1998	105	4	310,649	8,055	0	318,704
PY 1999	73	2	339,195	250,700	0	589,895
PY 2000	64	3	247,729	52,572	0	300,301
PY 2001	71	8	208,521	54,111	0	248,710
PY 2002	73	13	148,374	171,352	0	319,726
PY 2003	5	5	3,794	3,481	0	7,275

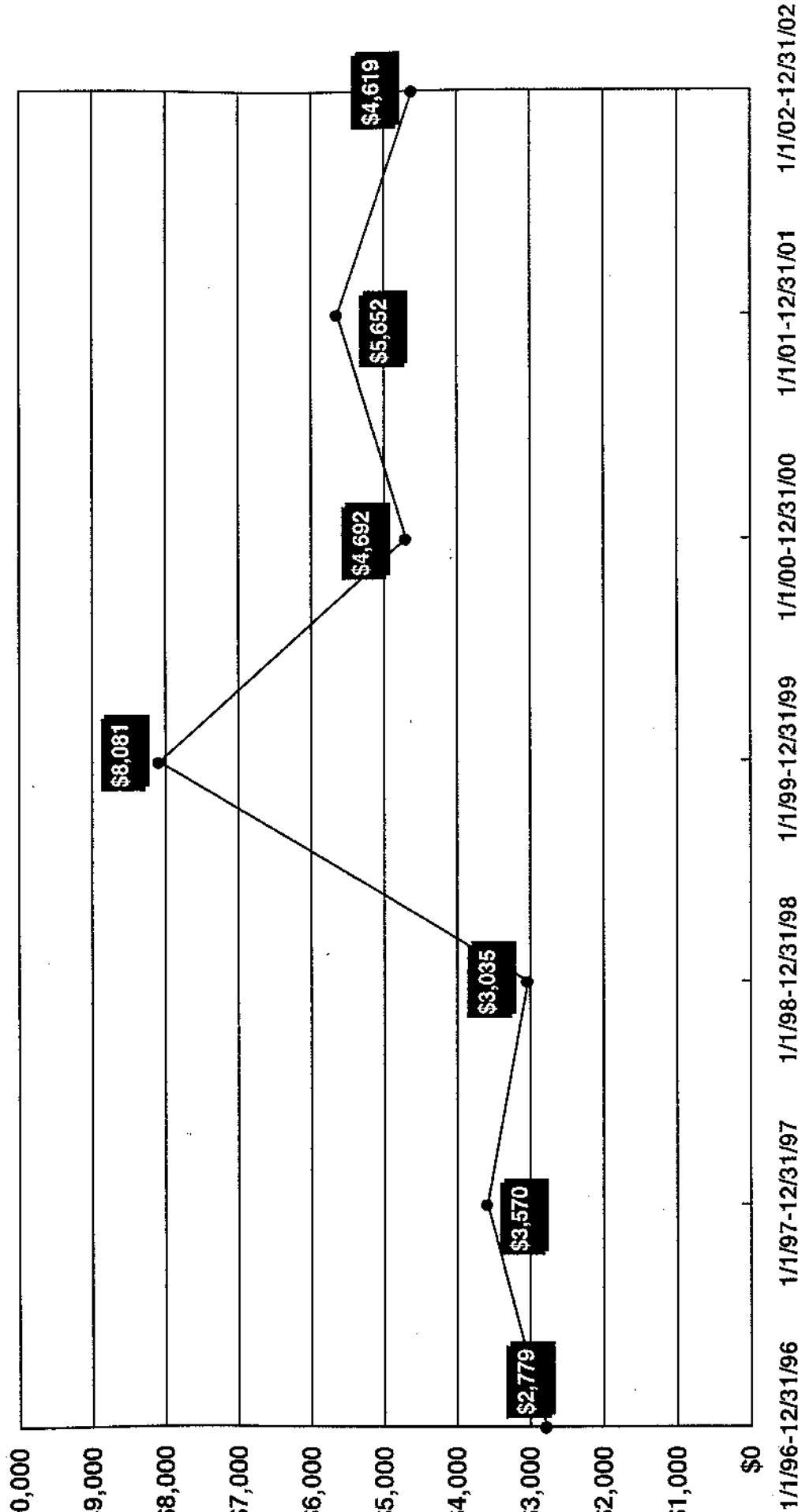
* Includes catastrophic incident of 2/16/93 ** Includes Fatality of 8/15/97

Table 2: Historical First 3 Month Experience: 1999 - 2003

COVERAGES:	PY 1999		PY 2000		PY 2001		PY 2002		PY 2003	
	#	INCRD \$	#	INCRD \$	#	INCRD \$	#	INCRD \$	#	INCRD \$
Auto Physical Damage	3	10,267	4	5,989	3	2,356	1	5,004	0	0
Auto Liability	1	35,000	0	0	1	526	0	0	0	0
General Liability	0	0	2	500	3	1,760	0	0	0	0
Worker's Compensation	10	66,927	11	5,717	11	30,750	16	15,234	5	7,275
TOTAL:	14	\$ 112,194	17	\$ 12,206	18	\$ 35,392	17	\$ 20,238	5	\$ 7,275



AVERAGE COST PER CLAIM

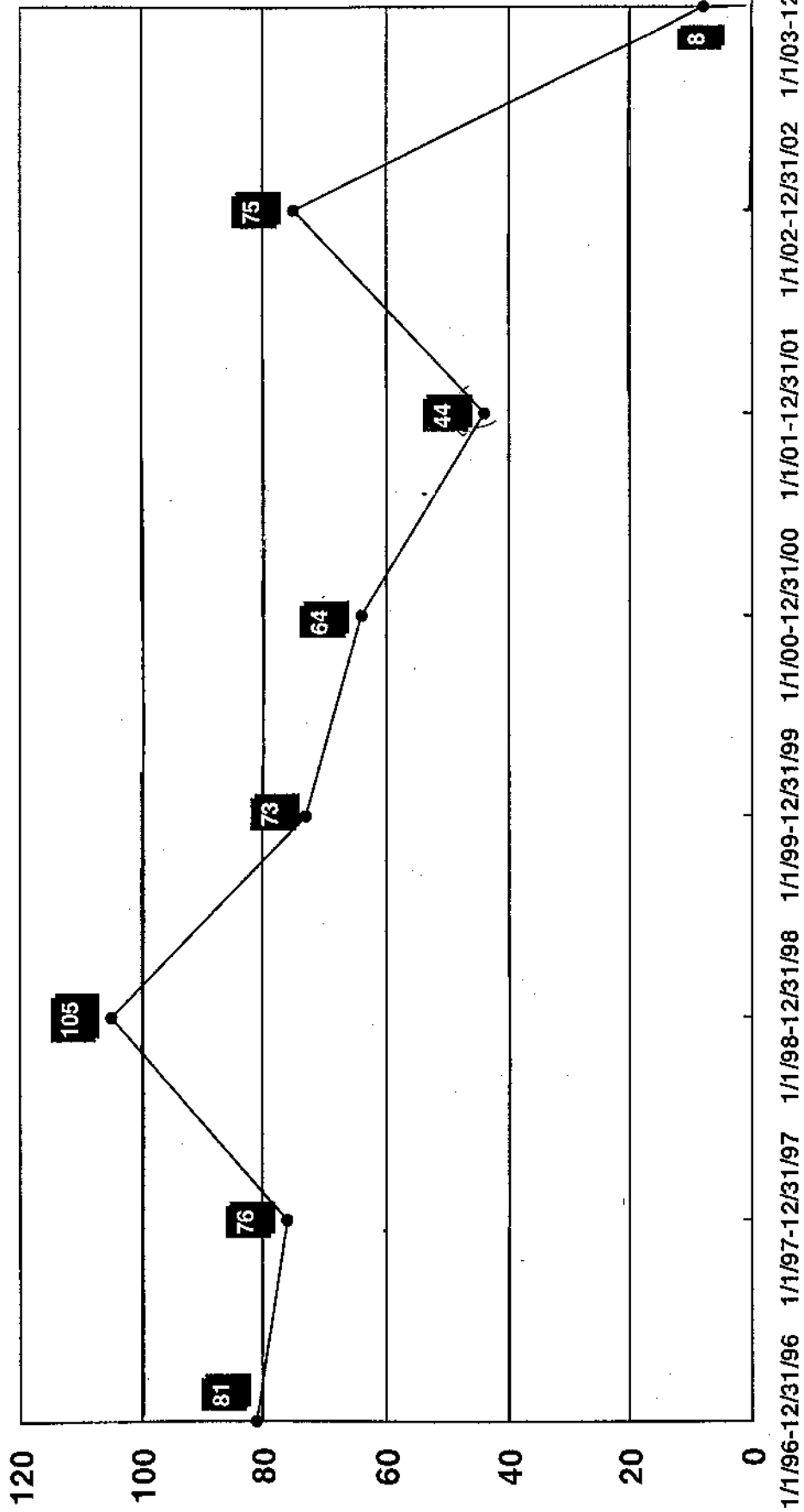


Attachment II:



McLean County Illinois

Number of Claims by Year



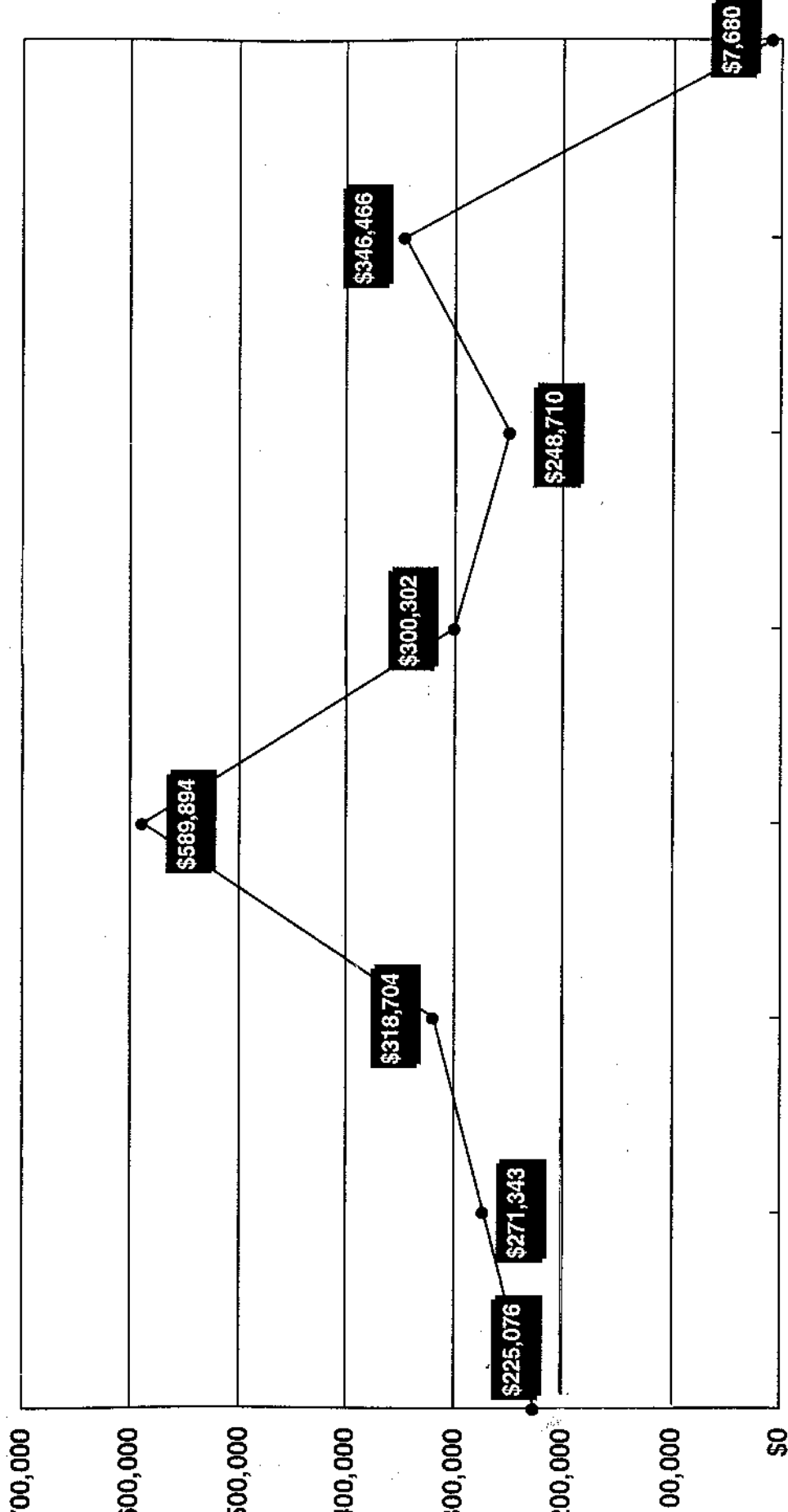
Attachment #11

*As of 4/11/03



McLean County Illinois

Total Incurred by Year

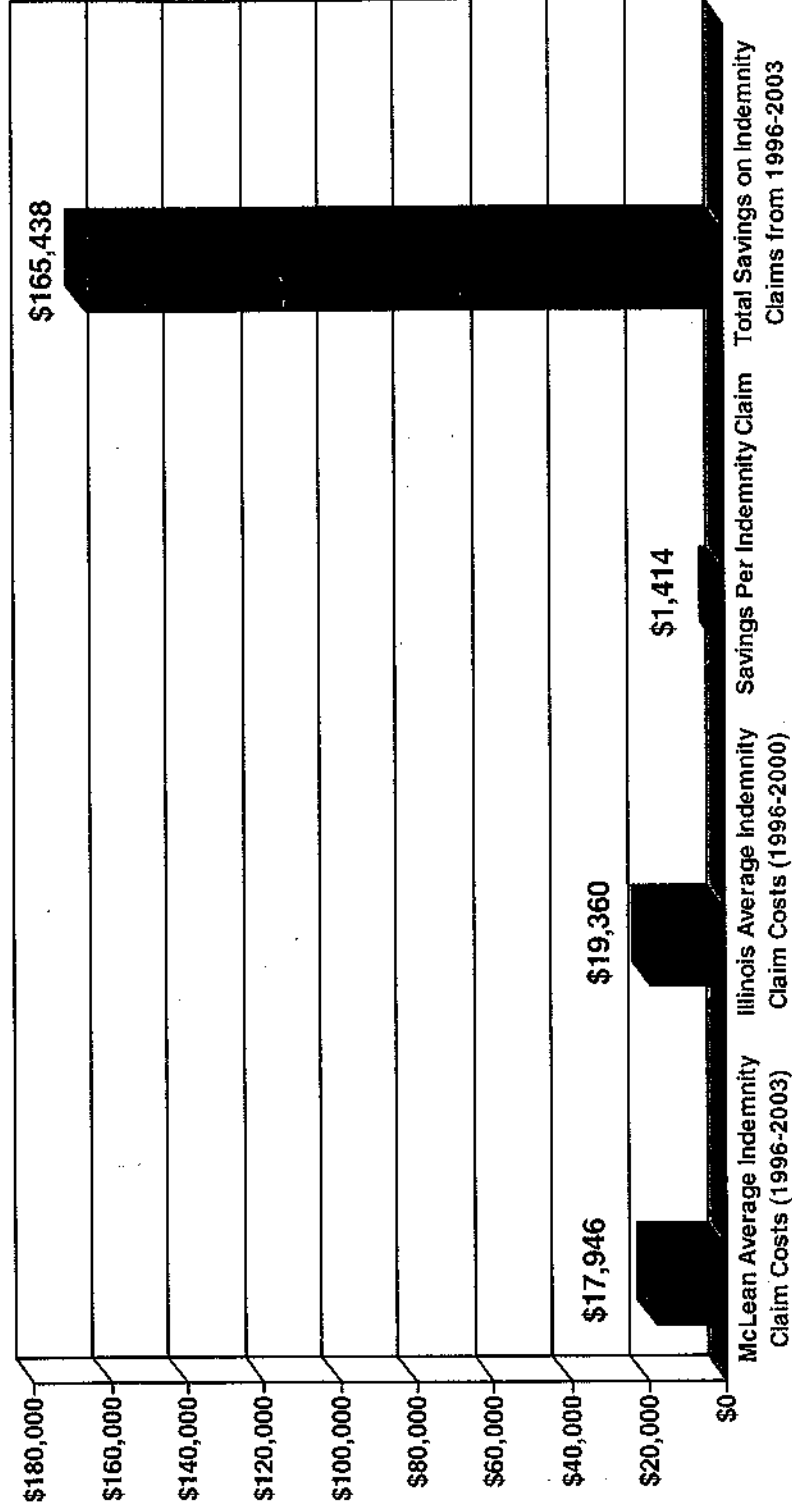


1/1/96-12/31/96 1/1/97-12/31/97 1/1/98-12/31/98 1/1/99-12/31/99 1/1/00-12/31/00 1/1/01-12/31/01 1/1/02-12/31/02 1/1/03-12/31/03*



McLean County Illinois

Indemnity Claim Costs McLean County vs. Insurance Market





Illinois Department of Commerce and Community Affairs

Rod R. Blagojevich
Governor

Jack Lavin
Director

April 18, 2003

MEMORANDUM

TO: RLF Administrators

FROM: Lorraine Wareham

I would like to take this opportunity to introduce myself. My name is Lorraine Wareham and I am the Administrator for the Community Development Assistance Program Revolving Loan Fund Program. As we all know, the transition process isn't always an easy one and I appreciate your patience while I become familiar with each of you and your programs.

The Illinois Department of Commerce and Economic Opportunity, formerly the Illinois Department of Commerce and Community Affairs ("Department") Community Development Assistance Program Revolving Loan Fund Program ("CDAP RLF") is governed by the Illinois Administrative Code. These rules can be found on the following website

<http://www.legis.state.il.us/commission/jcar/admincode/047/04700110sections.html>
under Subpart B: Revolving Loan Funds. The rules were amended as of July 18, 2002. I have attached the most recent administrative rules and they should be filed under Section 5 of the RLF Handbook. The amended administrative rules supersede any program guidelines in the January 2000 CDAP RLF Handbook.

Please note the rules governing recapture strategy requirements have been amended as part of these most recent revisions.

It will be necessary for each RLF to submit to the department for approval a new recapture strategy reflecting the approved JCAR changes under Section 110.230 Recapture Strategy Requirements. Until your RLF recapture strategy is approved by the department you will not be able to take advantage of the changes. I have attached a sample recapture strategy which includes the JCAR changes. Of note is the maximum amount of revolving loan funds per job created or retained has increased from \$10,000 to \$15,000 per job.

Internet Address <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701

James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601

607 East Adams Street
Springfield, Illinois 62701

2309 West Main, Suite 118
Marion, Illinois 62959

217/782-7500
Fax: 217/524-1627 ■ TDD: 800/785-6055

312/814-7179
Fax: 312/814-6732 ■ TDD: 800/419-0667

217/785-2800
Fax: 217/785-2618 ■ TDD: 217/785-6055

618/997-4394
Fax: 618/997-1825 ■ TDD Relay: 800/526-0844

In an effort to provide training for our RLF administrators, we are planning to include a RLF session in the annual CDAP Workshop held in February. I will be sending you more information on this training as it becomes available.

To further clarify the attachments:

- **Sample Revolving Loan Fund Recapture Strategy**
Please amend your RLF Recapture Strategy to reflect the new JCAR rules and submit to the department for approval. Again, until the amended recapture strategy is approved by the department you may not take advantage of the changes.
- **Revolving Loan Fund Recapture Guidelines for the (unit of local government).**
These guidelines are provided to give you a general parameter in running your RLF and can be found on Page 5-3-57 of your Revolving Loan Fund Handbook. These guidelines do not need to be submitted to the department for approval.
- **Joint Committee on Administrative Rules - Administrative Code**
Please file these under Section 5 of your RLF Handbook.

If you need assistance in amending your recapture strategy or have questions regarding the administration of your RLF, please feel free to contact me at 217/558-2842 or lwareham@commerce.state.il.us. Thank you for your time and consideration.

cc: Chief Elected Official

Enclosures

Part A

REVOLVING LOAN FUND RECAPTURE GUIDELINES FOR McLEAN COUNTY, ILLINOIS

Revolving Loan Fund Goals and Objectives

The Revolving Loan Fund was established to provide financial assistance to new or expanding businesses in McLean County and to secure public benefit for the residents of McLean County by developing a stronger economic base and expanded job opportunities. Use of the funds is governed by a variety of rules and regulations mandated by the State and Federal agencies that provided the original grants to McLean County as well as policies adopted by McLean County.

The missions of the Revolving Loan Fund are as follows:

- To assist short-term economic development by supporting projects which create and retain jobs.
- To encourage growth and involvement of area financial institutions through joint efforts to make feasible projects which would otherwise not be undertaken (through written agreements with participating institutions).
- To assist long-term economic development by supporting projects which protect the existing tax base and which seek to expand it.
- To insure the financial and political security for the Revolving Loan Fund through appropriate due diligence in the use of funds.

A. Revolving Loan Fund Guidelines – Generally

The following guidelines describe the way in which the Revolving Loan Fund will achieve its stated goals:

1. Eligible Borrowers

Any Business and/or Property Owners who are locating or expanding in the McLean County area. McLean County is also an eligible borrower, but only for infrastructure improvements (i.e., building improvements, water, sewer and roads) which will assist a business to retain or create jobs.

2. Eligible Use of Funds

- a. site development/infrastructure extensions costs;
- b. construction of new facility or additions;
- c. renovation of existing facilities;
- d. leasehold improvements;
- e. purchase of new or used machinery and equipment
- f. working capital.

Projects of a speculative nature are ineligible for funding. Also the transfer of firms and jobs from a location within the State of Illinois using McLean County RLF proceeds is prohibited unless it can be shown that proposed jobs/job opportunities will be lost to another state or country.

3. Minimum/Maximum Loan Amount

The minimum McLean County CDAP RLF Program Loan amount shall be \$50,000.00 and the maximum McLean County RLF Program Loan amount shall be \$500,000.00. McLean County CDAP RLF Program Loans will be made on a matching basis. The RLF Committee may waive these limits at its sole discretion. The match may be in the form of owner equity, bank loans or supplier financing. All matching funds shall be financial contributions (cash). Funds spent prior to approval of the RLF application will not count as match. A match of 2:1 will generally be required. The 2:1 match may be waived by the RLF Committee, but in no case will the match be less than 1:1. A match of 1:1 will be allowed if the RLF Loan request is a public works project. Therefore, McLean County participation will, generally speaking, be limited to 1/3 of the public project.

4. Demonstration of Financial Need

McLean County utilizing recaptured Community Development Assistance Program (CDAP) dollars from the State of Illinois, may participate with any lending institution and/or source of equity in making McLean County CDAP RLF Program Loans. Applicant firms and participating lenders must demonstrate a financial need for local CDAP-RLF funds. Financial need can be demonstrated by meeting one or more of the following financial need criteria:

- a. CDAP funds are needed to “fill the gap” between the estimated project cost and what lenders are able and willing to lend.
- b. The estimated return on investment (ROI) exceeds the bank-determined, industry-wide standard.
- c. The banks determine there is insufficient collateral without CDAP revolving loan fund participation.
- d. CDAP-RLF financing is needed to keep the firm in the community (applicant must furnish the bank with detailed Incentive letters from other states and detailed cost information explanations on how CDAP-RLF funds equalize the costs between the community site and the out-of-state site, CDAP-RLF funds cannot be used to relocate firms from one part of the State of Illinois to another part of the state).

This need will be demonstrated by a lender and community CDAP-RLF committee review of applicant firm's financials (see application at the end of document for financial information requirements).

5. Geographic Area.

Recaptured funds will be expended for projects which are located within the corporate limits of McLean County or which are determined to principally benefit residents of McLean County.

6. Interest Rates and Terms.

A minimum fixed-rate (currently 3 percent) shall be charged on a McLean County CDAP RLF program loan. The participating lender and the applicant/borrower may negotiate any mutually acceptable loan terms. The term of a McLean County CDAP RLF program loan shall generally be determined by the following classifications:

<u>Purpose</u>	<u>Maximum Term</u>
Infrastructure (water, sewer, roads)	15 years
Land and/or Building Acquisition	20 years
New Construction	20 years
Purchase of Machinery and/or Equipment	10 years
Leasehold Improvements	7 years
Building Rehab or Renovation	7 years
Purchase of Inventory	7 years
Working Capital	7 years

(NOTE: In no event shall McLean County CDAP RLF participation the term granted by the participating lender for the same class of asset.)

7. Collateral Requirements.

The participating lender shall have the primary responsibility for determining the applicant's credit risk and, if it requires, shall be entitled to the senior lien or security interest on any collateral given as security. In the case where the local government secures the RLF loan with identical collateral, its lien or security interest shall be subordinated to the participating lender. In addition, the local government will generally require a PERSONAL GUARANTY on CDAP RLF Program Loans.

8. Loan Disbursements.

All loan disbursements and payments shall be made by the McLean County Treasurer.

9. Origination Fee.

An origination fee of up to one percent of the amount requested may be charged by McLean County RLF administrative entity and is payable at closing. In addition McLean County may charge a \$100.00 fee to cover application costs (which include addressing state/federal mandates).

10. Loan Call Provisions.

Failure to abide by McLean County CDAP RLF program guidelines or administrative guidelines or administrative procedures can result in calling of the RLF loan at the RLF Committee's request. Also, the local government can call the RLF loan due and payable in the event of: 1) the transfer of substantially all the borrower's assets to any third party; 2) bankruptcy or insolvency of the borrower; 3) cessation of the conduct of active trade or business in McLean County by the borrower for any reason, including, but not limited to fire and other McLean County casualty; 4) inability to meet the obligations for job creation/retention as originally stated. These provisions are contained in a loan agreement between the borrower and McLean County.

B. Other RLF Program Requirements

1. Applicants.

- a. An applicant must have the ability to repay the loan and be an acceptable credit risk as determined by the participating lender.
- b. Upon completion of any construction activities, the applicant's property must comply with all applicable code, permit and license requirements of McLean County and/or the Incorporated City, Town or Village.
- c. Applicant must make adequate progress toward loan closing as determined by the RLF Committee ("Administrative Entity"). Failure to do so can result in a revocation of loan authorization by the RLF Committee.

2. Limitations.

McLean County CDAP RLF Program loan proceeds may be used for any of the following: land and/or building acquisition; new construction; purchase of machinery and/or equipment; leasehold improvement; building rehabilitation or renovation; purchase of inventory.

Federal Davis-Bacon and Related Acts require that prevailing wage be paid for all construction activities.

Loans to start-up businesses will require 20 percent equity. McLean County CDAP RLF Program loan proceeds cannot be used to refinance existing debt of any kind.

3. Job Creation/Retention

For every full-time equivalent (FTE) job to be created/retained, no more than \$15,000.00 of RLF funds will be allowed. FTE is defined as 1,950 hours a year (37.5 hours per week). At least fifty-one percent of those jobs created/retained must benefit low-to-moderate income persons (see income chart). The applicant must agree to work with the local JTPA service delivery area office, and the regional Illinois Employment and Training Centers to place the economically disadvantaged persons as defined by federal guidelines. The low-to-moderate income guidelines and how to meet them are part of this handbook.

4. Activities Completed Prior to Loan Closing.

All project activities completed prior to loan closing are ineligible for financing through McLean County RLF Program. Also, any lender financing or equity which is disbursed prior to loan closing cannot be counted as match.

5. State/Federal CDAP Programs Requirements. (Title I)

The RLF Program will be operated according to applicable CDAP Program requirements which will include, but are not restricted to, environmental review, prevailing wage rate, equal employment opportunity, minority business enterprise, Section 3 ("Local Hire") Provisions, and Persons with Disabilities / Developmentally Disabled provisions.

6. Bad Loans.

In the event of a bad loan, legal steps will be taken to recover the RLF funds.

C. Required Documentation / RLF Processing

1. Sign-off Sheet

2. RLF Application and Related Documents

3. Lender Commitment Letter

- Statement of loan approval and need for RLF participation by authorized lender officer or committee
- Specified dollar amount loan
- Specified loan term
- Specified interest rate
- Collateral or security requirements
- Other special conditions of the loan

4. Borrower Commitment Letter

- Description of the project
- Total project cost
- Number of jobs created/retained and benefit to low/moderate income persons
- Type of jobs to be created/retained and wage scales
- Time frame for job creation
- Potential use of JTPA training program

- Name of lender making commitment
- Amount of equity if start-up business
- Statement that borrower can begin project implementation immediately upon McLean County CDAP RLF program approval.

5. Environmental Review Checklist Requirements

In some cases, an Environmental Review may not be applicable. Please see application located toward the back for instructions.

CDAP REVOLVING LOAN FUND RECAPTURE STRATEGY

A. Revolving Loan Fund Goals and Objectives

1. Stimulate economic growth in McLean County by assisting with the retention and growth of the existing industrial and commercial base, providing needed equity to new start-up businesses, encouraging the development of minority and female owned businesses and providing an incentive for established businesses to relocate to McLean County.
2. Assist new or existing businesses to create and retain jobs.
3. Ensure that jobs created or retained by business applicants benefit a minimum of 51 percent low-to-moderate income persons in the area.
4. Increase McLean County property tax and sales tax base.
5. Provide businesses with the opportunity to expand.
6. Encourage and leverage loans to businesses by area private financial institutions.

B. Revolving Loan Fund Strategy

1. Eligible use of funds.
 - a. Site development / infrastructure extension costs.
 - b. Construction of new facility or additions.
 - c. Renovation of existing facilities.
 - d. Leasehold improvements.
 - e. Purchase of new or used machinery or equipment.
 - f. Working capital.
 - g. For every \$15,000.00 of revolving loan funds provided, one full-time equivalent (FTE) job should be created or retained. (FTE job are positions consisting of a minimum of 1,950 hours worked a year). McLean County participation will not exceed 30 percent, subject to the availability of funds.

- h. Projects of a speculative nature are ineligible for funding.
- 2. The geographic area served by the fund will be within the corporate boundaries of McLean County.
- 3. The funds will be targeted to assist existing industrial and commercial base, start up businesses, female and minority owned firms and established businesses that will relocate to McLean County on a first come, first served basis, as McLean County expects to receive more applicants than available annual funding will cover. Applications that demonstrate the greatest potential for job creation and meeting goals and objectives of the fund will be given the highest priority.
- 4. Applications will be generated by:
 - a. Sending RLF information to the County's existing businesses.
 - b. Including RLF information in the County's Economic Development marketing package.
 - c. Provide RLF information to area economic development commissions and the Chamber of Commerce to include in their area marketing information.
 - d. Staff participation in business related seminars or workshops held in the area.
 - e. Provide RLF information to local chapter of NAACP, Urban League and other organizations representing minority groups and offer to speak at meetings periodically.
 - f. Provide information to area women's entrepreneur associations and women's service organizations.
 - g. Publicize approved loan projects by sending news releases to area media and holding news conferences, ribbon cuttings and ground breakings to encourage media coverage.
 - h. Area lending institutions will be provided with information about the RLF and asked to inform potential borrowers of fund availability.

C. RLF Management Plan

1. McLean County shall appoint members as needed to the Business Loan Review Committee. The committee shall consist of, but not be limited to the Chairman of the McLean County Board or other representatives of the County Board, County Administrator, Economic Development Coordinator, and two experienced area financial institution commercial lenders. The Committee shall review all applications to the revolving loan fund after the Economic Development Coordinator and the County Administrator have packaged the application and it is referred to the Finance Committee of the County Board. The Committee will meet with the applicant, meet with the representative of the participating lending institution, visit the site if necessary, negotiate the terms, length, security of loans and ensure compliance with the RLF goals and objectives. A recommendation will be prepared for the Finance Committee's review for approval or denial which will include a description of the project, project costs, source of funds, security required, special conditions, and reasons for approval or denial. All other application information is kept confidential. The McLean County Board will formally approve or deny the application.
2. The RLF will be staffed by the Economic Development Coordinator, the County Treasurer and the County Administrator.
3. The loan documents, including commitment agreements, liens, title policies, security recordings, transfer tax declarations, amortization schedules and security releases, shall be obtained and completed by the State's Attorney's Office. The County Treasurer shall monitor repayments of the loan, job creation and/or retention reports required to be provided semi-annually until the commitment is met, monitor other special conditions required by the loan and submit semi-annual reports on the status of the RLF to the Department of Commerce and Economic Opportunity.
4. Delinquent Loans: When an RLF payment becomes 10 days past due, the County Treasurer will place a telephone call to the borrower and request payment. At 30 days past due, the County Treasurer will send a formal letter requesting payment. Should the payment become 45 days past due the matter will be turned over to the State's Attorney's Office to pursue. All legal rights will be exercised by the County to reclaim funds. Legal counsel will be consulted during foreclosure and liquidation proceedings if events warrant.

D. Assurances

1. No more than 10 percent of the annual revenue to the RLF will be used for administration of the RLF fund. Administrative expenses will be documented via receipts, bills, invoices, etc.
2. Assistance provided from the RLF will result in at least 51 percent benefit to low-to-moderate income persons and these benefits will be documented by utilizing Job Training Partnership Act (JTPA) service providers, Illinois Employment and Training Centers or the employee certification forms found in the RLF handbook.
3. McLean County agrees to report semi-annually on the status of the RLF to the Department of Commerce and Economic Opportunity.
4. Any changes to the recapture strategy will be submitted to the Department of Commerce and Economic Opportunity for approval.
5. The grantee shall agree to pursue legal remedy to recover delinquent loans. Legal action shall include that authorized by federal and state law, including, but not limited to, efforts to collect and pursue the interests of the RLF through bankruptcy court.
6. A minimum leverage ratio of \$1.00 non-CDAP funds to \$1.00 CDAP RLF funds must be obtained for each project. RLF funds may not comprise more than 50% of the financing for any project.
7. The grantee shall assure that environmental reviews will be completed for each project funded, as well as prevailing wages paid if applicable.



OFFICE OF THE ADMINISTRATOR

(309) 888-5110 FAX (309) 888-5111

104 W. Front, Room 701

P.O. Box 2400

Bloomington, Illinois 61702-2400

March 21, 2003

Ms. Lorraine Wareham
Department of Commerce and Economic Opportunity
620 East Adams Street
Springfield, Illinois 62701

Re: McLean County, Illinois: CDAP Revolving Loan Fund

Dear Ms. Wareham:

Per our telephone conversation on Tuesday, March 18, 2003, I am requesting that the Department of Commerce and Economic Opportunity waive the job creation/retention criteria on the CDAP Revolving Loan Fund program and permit McLean County government to borrow funds to make needed repairs to the Health Department Building.

The McLean County Health Department occupies the first three floors of a five-story office building that is located immediately west of the County's Law and Justice Center. The Health Department's clinical areas, dental clinic, health screening and education areas, environmental health division, public health nursing division, and the administrative staff occupy approximately 36,000 square feet of the 75,000 square feet available in this facility. The County's Children's Advocacy Center and the Court Services Department Extended Day Detention Program are also located in this facility. Private offices comprise the balance of the office space.

When this office building was originally constructed in the mid 1970's, the exterior panels were made of dryvit, a stucco-like finish that provides some minimal degree of insulation and also serves as the outer shell of the building. During the nearly 30 years that the building has been in existence, extensive deterioration of the exterior dryvit has taken place. Today, the Health Department Building experiences significant water penetration when it rains. As a result, the building has experienced extensive leaks, which have resulted in minor flooding in the clinic areas within the first floor. Health Department clinics have been delayed and computer equipment has been damaged. The result has been to delay needed services to Health Department clinic clients and has led to additional costs for minor repairs. In addition, other County offices and the private offices in the building have also experienced water damage as a result of water penetration. To remedy this problem, an independent architectural firm has recommended that the exterior dryvit be replaced.

The Health Department's clinics primarily serve low and moderate income citizens of McLean County. McLean County clinic services serve as the hub of the delivery network of preventive health services aimed at serving the needs of lower income residents. Following is a brief overview of each of the clinical services offered and their corresponding benefit.

Ms. Lorraine Wareham
March 21, 2003
Page Two

Women, Infants and Children's Nutritional Program

During 2002, 4,006 women, infants and children under the age of 3 were certified to receive WIC services. According to CDC data, each dollar spent on the WIC program saves \$2.91 in Medicaid spending. There are over 4,000 recipients who are Medicaid/KidCare eligible. Also, the WIC program helps assure healthy pregnancy outcomes and child growth and development. As a result, mothers are retained in the workforce longer due to fewer absences.

Family Case Management Program

The family case management program is a companion program to WIC and maintains a caseload of 1,554 families all of whom are medically indigent (below 200% of poverty). These clients received home visits and follow-up, health screening examinations, and blood-lead testing. In addition, the Health Department processed 402 KidCare applications during 2002 thus helping provide needed primary and pediatric care to low income children and pregnant women. The Teen Parent Services component assist pregnant and parenting adolescents meet individual educational and career goals as part of their program requirements. During 2002, the Health Department maintained an active caseload of 40 clients.

Adult Dental Clinic

During 2002, the Health Department provided acute care dentistry services to 615 adults in its clinic. 388 of this total were Public Aid recipients with the remainder being funded through Head Start, John M. Scott Health Resources, Office of Rehabilitation Services, and Township general assistance. All of the individuals served are below 185% of poverty and the vast majority is employed. The emergency services (extractions and minor restorations) allow marginally employed persons to remain on the job and reduces emergency room utilization for oral health emergencies.

Children's Dental Clinic

The children's clinic provides a wider array of services and provided care to 881 children during 2002. 95% of the children are Public Aid recipients and the remainder is medically indigent – below 185% of poverty. Children receive dental examinations, dental sealants, and restoration services. Extensive dental caries and periodontal disease leads to absence from school, work, and increases high end medical expenditures in the future.

Childhood Immunization Services

Nearly 4,000 medically indigent children received childhood immunization services during 2002. Immunization against childhood disease increases child health status and reduce the number of workdays missed by parents.

In addition to the services stated above, various other Health Department clinics serve the needs of low and moderate income county residents. 96 DCFS wards are served through case management, 282 daycare providers received health consultation, 1,285 medically indigent elderly received home visiting services from a registered nurse, 827 received sexually transmitted disease testing and treatment, 977 received HIV counseling and testing, 1,595 received TB testing, 88 adults and children received services through the eye clinic, and 8,470 children received vision and hearing screening.

Ms. Lorraine Wareham
March 21, 2003
Page Three

During 2002, the McLean County Health Department billed the Illinois Department of Public Aid \$210,749 for dental services, immunization services, and a variety of screenings. Clearly, the Health Department is engaged in services that directly benefit marginal income residents and serves to maintain employment and enhance client employability.

With approval from the Department of Commerce and Economic Opportunity, McLean County proposes to borrow up to \$500,000.00 from the County's CDAP Revolving Loan Fund. The County will repay the CDAP loan in full with interest.

If you have any questions concerning this request, please call me at (309) 888-5110.

Thank you for your kind assistance and cooperation.

Sincerely,

John M. Zeunik
County Administrator



OFFICE OF THE ADMINISTRATOR

(309) 888-5110 FAX (309) 888-5111

104 W. Front, Room 701

P.O. Box 2400

Bloomington, Illinois 61702-2400

April 11, 2003

Ms. Lorraine Wareham
Department of Commerce and Economic Opportunity
620 East Adams Street
Springfield, Illinois 62701

Re: McLean County, Illinois: CDAP Revolving Loan Fund

Dear Ms. Wareham:

Per our telephone conversation on Friday, April 11, 2003, I am pleased to provide you with the following updated information regarding the County's financial contribution to the project to make needed repairs to the Health Department Building.

On Tuesday, April 8, 2003, the Director of Facilities Management met with the architect and the general contractor to review the scope of the project and the project costs. At this meeting, the general contractor advised that the repairs to the exterior of the Health Department Building would cost \$708,000.00. Using the general contractor's project cost, here is an updated summary of the County's financial contribution to this project.

Health Department Funds =	\$ 150,000.00
General Fund Funds =	\$ 150,000.00
Architect/Engineering Fees =	<u>\$ 61,292.00</u>
Total County Funds =	\$ 361,292.00

CDAP Loan Amount =	\$ 346,708.00
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Leverage Ratio County Funds to CDAP Loan =	1.04/1.00
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If you have any further questions concerning this request, please call me at (309) 888-5110.

Thank you for your kind assistance and cooperation.

Sincerely,

John M. Zeunik
County Administrator



Illinois Department of Commerce and Community Affairs

George H. Ryan
Governor

Pam McDonough
Director

April 23, 2003

Mr. John Zeunik
County Administrator
McLean County
104 W. Front St.
Bloomington, IL 61702

Dear Mr. Zeunik:

This is pursuant to your letter of March 21, April 3, and April 11, 2003 requesting permission to use \$346,292 of recaptured Community Development Assistance Program (CDAP) revolving loan funds (RLF) as a loan to make needed repairs to the McLean County Health Department building.

Pursuant to CDAP administrative rules (47 Ill. 110.250) which authorizes the use of CDAP RLF funds for purposes other than those specifically identified in the rules upon written approval of the Department, DCEO hereby approves the request as outlined in your letter. Due to the fact that the Health Department primarily serves low and moderate income citizens DCEO will waive the job creation/retention requirement.

McLean County RLF shall assure that environmental reviews will be completed, as well as prevailing wages paid if applicable.

We appreciate having the opportunity to assist you in this endeavor. Please feel free to contact Lorraine Wareham at (217) 558-2842 if you need further assistance regarding your Revolving Loan Fund.

Sincerely,

Gail Hedges, Interim Manager
Division of Community Assistance

Internet Address <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701

James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601

607 East Adams Street
Springfield, Illinois 62701

2309 West Main, Suite 118
Marion, Illinois 62959

217/782-7500
Fax: 217/524-1627 • TDD: 800/785-6055

312/814-7179
Fax: 312/814-6732 • TDD: 800/419-0667

217/785-2800
Fax: 217/785-2618 • TDD: 217/785-0211

618/997-4394
Fax: 618/997-1825 • TDD Relay: 800/526-0844

TERM SHEET

CDAP LOAN APPLICATION REQUEST

Applicant:	McLean County 104 West Front Street – Room 701 Bloomington, Illinois 61702-2400
Financing Requested:	CDAP Loan through McLean County
Type of Business:	Public Works Infrastructure Capital Expenditure
Location of Business:	200 West Front Street Bloomington, Illinois
Principal Amount of Loan:	\$346,292.00
Term of Loan:	20 Years
Interest Rate:	3.0% (125 basis points below prime rate of 4.25%)
Security for the Loan:	County Guarantees Repayment from Lease Revenue Stream
Amortization Schedule:	Level Debt Service over Term of Loan Monthly Payment due on the first day of the month beginning 30 days after the closing date of the Loan
Monthly Payment:	\$1,920.55 (Annualized = \$23,046.60)
Number of New Jobs Created and/or Jobs Retained:	Waived per letter from Illinois Department of Commerce and Economic Opportunity
Loan Application Review Completed by:	Illinois Department of Commerce and Economic Opportunity – See Approval Letter from Ms. Gail Hedges, Interim Manager, Division of Community Assistance



OFFICE OF THE ADMINISTRATOR

(309) 888-5110 FAX (309) 888-5111


104 W. Front, Room 701

P.O. Box 2400

Bloomington, Illinois 61702-2400

May 2, 2003

Memo to: The Honorable Chairman and Members of the Finance Committee

From: John M. Zeunik 

Re: Review of Proposed Budget Policy for Fiscal Year 2004

At the May 6th Finance Committee meeting, the Committee will be asked to review and recommend approval of the Resolution Establishing the Budget Policy for Fiscal Year 2004. To assist the Committee in your consideration and discussion of this issue, I have enclosed a copy of the proposed Resolution for the preparation of the Fiscal Year 2004 Budget.

The Fiscal Year 2004 overall property tax rate will be based on the 2003 equalized assessed valuation. For the Committee's information, the 2003 property tax year is the quadrennial reassessment year. Historically, in a quadrennial reassessment year, the County's equalized assessed valuation increases between 7% - 8%. To illustrate the impact of this growth on the County funds that are permitted to levy a property tax, I have enclosed a table comparing the fiscal year 2002 estimated equalized assessed valuation with the fiscal year 2003 estimated equalized assessed valuation.

Given that the national and state economy have not rebounded and the uncertain impact of the State's budget on County reimbursements and programs, the County can expect to see either no growth or nominal growth in the County's share of the Sales Tax, State Income Tax, and Personal Property Replacement Tax. The Fiscal Year 2004 Budget is likely to be another "tight" budget with overall growth in revenues and expenditures below 3.0%.

I would welcome your thoughts and suggestions on any additional modifications to the proposed Budget Policy for Fiscal Year 2004.

Thank you for your kind assistance and cooperation.

McLEAN COUNTY PROPERTY TAX LEVY AND RATE: 2002 - PROJECTED 2004

PROPERTY TAX LEVY PAYABLE IN 2002		PROPERTY TAX LEVY PAYABLE IN 2003		CHANGE PRIOR YEAR INCREASE/(DECREASE)		PROPERTY TAX LEVY PAYABLE IN 2004 PROJ.		CHANGE PRIOR YEAR INCREASE/(DECREASE)	
TAX RATE	TAX LEVY	TAX RATE	TAX LEVY	DOLLAR AMOUNT	% CHANGE	TAX RATE	TAX LEVY	DOLLAR AMOUNT	% CHANGE
\$0.93715	\$ 22,817,871.00	\$0.93412	\$ 24,013,887.00	\$ 1,196,016.00	5.24%	\$0.93412	\$25,875,024.75	\$ 1,861,137.75	7.75%
TOTAL:									
Equalized Assessed Valuation:									
Adjusted EAV for									
Computing Tax Rates:									
	\$2,627,874,419.00		\$2,770,325,723.00	\$ 142,451,304.00	5.42%		\$2,978,100,152.23	\$ 207,774,429.23	7.50%
	\$2,434,817,683.00		\$2,570,755,800.00	\$ 135,938,117.00	5.58%		\$2,769,989,374.50	\$ 199,233,574.50	7.75%

MCLEAN COUNTY REVISED CODE BUDGET POLICY RESOLUTION

CHAPTER 12 - BUDGET

RESOLUTION ESTABLISHING THE BUDGET POLICY FOR FISCAL YEAR 2004

WHEREAS, the *Rules of the County Board* provide that the Executive Committee recommend each year to the County Board a Budget Policy for the preparation of the annual budget; and

WHEREAS, the Executive Committee has determined that the annual budget be considered as a policy document, an operations guide, the County financial plan, and an avenue of communications; and

WHEREAS, the Executive Committee has determined that, in order to achieve this end in all County programs, a three year budget be developed beyond the next subsequent Budget; and,

WHEREAS, based on the receipt of revenues anticipated for the next fiscal year and the need for careful study of both revenues and expenditures for the period 2004-2007, the Executive Committee recommended certain budget policies be adopted for Fiscal Year 2004; now, therefore,

BE IT RESOLVED by the County Board of McLean County, Illinois, that the following policies are hereby adopted and applied to all McLean County departments for the submission, review and preparation of the Fiscal Year 2004 Budget and the proposed Three Year Budget.

12.21 COUNTY SERVICES

12.21-1 New Services shall be considered in the following order of priority:

- (A) State or federal law specifically mandates such action and imposes penalties on County government for failure to provide such services; or
- (B) The Oversight Committee and the Executive Committee recommend and the County Board approves the proposed new services and/or implementation of certain changes based upon analysis of existing programs, processes, and procedures.

12.22 REVENUE

12.22-1 Property Tax and Other Revenue

- (A) Real property taxes and all other 2004 revenues shall be sufficient to meet required expenditures for Fiscal Year 2004, with the following recommendation:

(2)

When preparing the Recommended Budget for Fiscal Year 2004, the County Administrator shall make every effort to hold the 2003 County overall property tax rate as close to the 2002 County overall property tax rate as possible.

12.22-2 User Fees and Charges

- (A) Every effort shall be made to identify and/or establish appropriate user fees for charges, as authorized by State law, for appropriate public services as recommended in the Fiscal Year 2004 Budget.

12.22-3 Intergovernmental Revenue

- (A) There shall be no new categorical grant programs considered in Fiscal Year 2004 that establish ongoing County funding obligations.
- (B) Each categorical grant, which decreases in Fiscal Year 2004, thereby possibly increasing County funding obligations, shall be clearly identified so that the Oversight Committee and the Executive Committee may evaluate whether the present expenditure level should be maintained and/or increased.
- (C) Recognizing the unpredictability of future estimates of both revenues and expenditures, it is acknowledged that the proposed budget for Fiscal Year 2005, Fiscal Year 2006, and Fiscal Year 2007 may not reflect a balanced budget. Adjustments will be made to all projected future budgets, as any such estimated year becomes the next subsequent year for budgeting purposes.

12.22-4 Enterprise Fund - Nursing Home

- (A) Pursuant to the Resolution adopted by the McLean County Board on April 18, 1995, the private pay rate for the McLean County Nursing Home shall be calculated by dividing the annual operating budget by the number of patient days.

12.23 FUND BALANCES

12.23-1 Fund Balances

- (A) Recognizing the need for the County to maintain a sufficient unencumbered fund balance to meet necessary operating expenditures during the first five

(3)

months of the fiscal year and to maintain fiscal stability, an unencumbered fund balance equal to not less than 10% of the County's total Combined Annual Budget and Appropriation Ordinance shall be maintained in the Corporate General Fund.

- (B) Upon approval by the County Board, the aggregate amount of the unencumbered fund balance in the Corporate General Fund and the Working Cash Fund shall be available for transfer to other Special Revenue Funds, Fiduciary Funds and the Enterprise Fund in order to meet necessary operating expenditures during the first five months of the fiscal year and to maintain the fiscal stability of the Special Revenue Funds, Fiduciary Funds and Enterprise Fund.
- (C) If the unencumbered fund balance in the Corporate General Fund exceeds the recommended minimum level of not less than 10% of the County's total Combined Annual Budget and Appropriation Ordinance, after review of the audited accrued fund balance as reported in the Outside Auditor's Comprehensive Annual Financial Report for the prior fiscal year, and upon approval of the County Board at the regular meeting in June and/or July, these excess funds may be appropriated for specific capital improvement projects and for specific software development and related computer hardware expenses related to the Integrated Justice Information System Project, and to the Law and Justice Center Debt Service Fund for the annual debt service payment to the Public Building Commission.
- (D) In the Special Revenue Funds, every effort shall be made to keep the year-end unencumbered fund balance at a minimum level taking into account the need for Working Cash.
- (E) In accordance with the provisions of the Downstate Working Cash Fund Act (55 ILCS 5/6-29001 - 29007), a Working Cash Fund line-item account may be established in the General Fund and the Special Revenue Funds where needed. Monies appropriated in this line-item account shall be transferred to the Working Cash Fund by action of the County Board.
- (F) In order to protect the long term viability of the Employee (Health) Benefit Fund, rate schedules for employees and the per capita cost assessed to each department for self-insured health plans, if any, shall provide a fund balance of no less than 100% of the difference between the expected claims' cost and the County's maximum exposure for claims, i.e. the aggregate attachment point, in the County's self-insured health coverage plan.

12.24 CONTINGENCY

12.24-1 Contingency

- (A) Upon the recommendation of the County Administrator, a contingency line-item account, not to exceed five percent (5%) of the total appropriations in each fund, may be established in each fund in the Fiscal Year 2004 Budget to cover emergencies and unanticipated expenditures.
- (B) The Executive Committee shall make recommendations for approval by the County Board on all transfers from the Contingency line-item account. The Contingency line-item account in each fund shall only be used as a transfer account.

12.25 CAPITAL IMPROVEMENTS AND CAPITAL EQUIPMENT PURCHASES

12.25-1 Capital Improvements

- (A) Recognizing the need for the County to plan for future capital improvement projects and the replacement of depreciated capital fixed assets, there shall be established as a part of the Fiscal Year 2004 Budget a Five-Year Capital Improvement Budget.
- (B) The County Administrator shall prepare the recommended Five-Year Capital Improvement Budget for review and approval by the Oversight Committees and County Board.
- (C) To establish and fund the Capital Improvement Budget, the County Board shall appropriate monies from the unencumbered fund balance of the Corporate General Fund and such other Special Revenue Funds as appropriate.

12.25-2 Capital Equipment Purchases

- (A) Recognizing the need for the County to purchase capital equipment in a cost effective and efficient manner, the purchase of the following capital equipment items shall be consolidated in a single Countywide bid document:
 - (1) Purchase of Furnishings/Office Equipment;
 - (2) Lease/Purchase of Office Equipment;
 - (3) Purchase of Computer Equipment;
 - (4) Lease/Purchase of Computer Equipment;

(5)

(5) Purchase of Computer Software;

- (B) Within the General Corporate Fund, the annual appropriation for the Purchase of Vehicles shall be consolidated in one line-item account in a Fleet/Vehicle Program in the departmental budget of the County Board. All County offices and departments within the General Corporate Fund shall be required to submit budget requests for the Purchase of Vehicles to the County Board.

Upon the approval and adoption of the Annual Budget, the County Board shall prepare one consolidated Bid Document for the purchase of all vehicles in the General Corporate Fund.

12.26 ADMINISTRATIVE FEES FOR SPECIAL REVENUE FUNDS

12.26-1 Administrative Fees for Special Revenue Funds

- (A) Administrative service fees or surcharges for central services (e.g. data processing, payroll, accounting, personnel, budgeting, records management) which are provided by County Offices/Departments in the General Fund shall be assessed to the Special Revenue funds.

12.27 PERSONNEL

12.27-1 Staffing Levels

- (A) Departmental staffing shall be identified in the proposed Fiscal Year 2004 Budget and shall be approved by each Oversight Committee and the Executive Committee, prior to final action by the County Board.

12.27-2 Employee Compensation

- (A) The needs of the County to attract and retain qualified employees require that employee salaries be budgeted in accordance with the County's Personnel Policies and Procedures Ordinance.
- (B) Principles of equity vis-a-vis the approved contract increases for bargaining units in Fiscal Year 2004, the general impact of inflation and employee morale shall be considered in determining any increases in compensation.

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- (C) The County's General Compensation Plan for Non-Union Employees, adopted by the County Board on May 16, 2000 and effective on July 1, 2000, shall govern the preparation of the Fiscal Year 2004 Budget.
- (D) Employees who are not regularly scheduled may receive an increase if the department so requests, in accordance with Schedule A, the Calendar for Preparation of the Fiscal Year 2004 Budget, and the County Administrator's Office agrees with this request. Such requests shall be subject to the review and approval of the Finance Committee.
- (E) The Oversight Committee for all personnel actions which impact on the County's Position Classification Schedules and Compensation System policies, such as reclassifications, salary re-grades, and the creation of new position classifications, shall be the Finance Committee. During the review and consideration of the Fiscal Year 2004 Budget, the Oversight Committee for all other personnel actions, such as the number of employees budgeted within an existing position classification, shall be that department's regular Oversight Committee.
- (F) All requests for new positions shall be submitted in writing, using the New Position Request Form, to the Office of the County Administrator for evaluation and review. The Office of the County Administrator shall be responsible for reviewing and analyzing the request and the rationale of the department head, and recommending to the appropriate Oversight Committee and then to the Executive Committee that:
 - (1) the request be approved and the reasons/justification for approval; or
 - (2) the request be denied and the reasons/justifications for denial at this time.
- (G) Requests for reclassifications of current positions shall be submitted in writing, using the Position Reclassification Form, to the Office of the County Administrator for evaluation and review. The Office of the County Administrator shall be responsible for reviewing and analyzing the request and the rationale of the department head, and recommending to the appropriate Oversight Committee and then to the Executive Committee that:

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- (1) the request be approved and the reasons/justification for approval; or
 - (2) the request be denied and the reasons/justifications for denial at this time.
- (H) All requests for reclassification of current positions and/or salary regrade(s) shall be reviewed using the Position Appraisal Method (PAM) factors and methodology employed by Public Administration Service, Inc. (PAS) during their comprehensive study of the County's position classification system.
- (I) Any position which has been reclassified or has received a salary regrade during the Fiscal Year 2003 budget preparation cycle shall not be considered for reclassification or salary regrade during the Fiscal Year 2004 budget preparation cycle.
- (J) This policy shall also apply to any requests for new positions submitted at any time during the fiscal year. All such requests shall be reviewed by the Finance Committee prior to being recommended to the Executive Committee and the County Board.

12.28 COMPLIANCE WITH BUDGET PROCEDURES

- (A) All County departments shall prepare and submit their Fiscal Year 2004 Budget requests in accordance with the Fiscal Year 2004 Budget Calendar (see Schedule A attached).
- (B) At any identified deadline, failure to provide the required data will result in a computer generated budget for that incomplete section(s), which will represent Fiscal Year 2003 budgeted expenditures/revenues less any known non-recurring expenditures.

12.29 FISCAL YEAR 2004 BUDGET ADOPTION

- (A) Pursuant to the *Rules of the McLean County Board*, the Executive Committee shall submit the Fiscal Year 2004 Budget to the County Board for adoption in accordance with the budget calendar.
- (B) In order to facilitate Committee deliberations, each Oversight Committee shall receive the complete proposed budget, including all departments and all funds, and any additional fiscal information deemed necessary and appropriate for budget review.

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12.30 EFFECTIVE DATE AND REPEAL

- (A) This resolution shall supersede the Fiscal Year 2003 Budget Policy Resolution.

ADOPTED by the County Board of McLean County, Illinois, this 20th day of May, 2003.

ATTEST:

APPROVED:

Peggy Ann Milton, Clerk of the County Board
McLean County, Illinois

Michael F. Sweeney, Chairman
McLean County Board

SCHEDULE A

CALENDAR FOR PREPARATION OF THE FISCAL YEAR 2004 BUDGET, FIVE YEAR CAPITAL IMPROVEMENT BUDGET, AND RECOMMENDED THREE YEAR BUDGET

<u>MONTH/DATE</u>	<u>ACTIVITY TO BE COMPLETED</u>
May 20, 2003	County Board approves and adopts the Resolution Establishing the Budget Policy for Fiscal Year 2004
May 30, 2003	Department Head Meeting with Administrator - Distribution of Fiscal Year 2004 Budget Manual of Instructions
June 4-6, 2003	<p>Training Meetings scheduled with Information Services staff for departmental personnel who will be entering budget requests into the computer.</p> <p>Departments should review the Fiscal Year 2004 Budget Manual of Instructions and bring questions along with departmental budget worksheets to the training meetings.</p> <p>PLEASE NOTE: Information Services will schedule individual department training sessions. Please call Information Services at ext. 5109 to schedule an appointment or use the departmental sign-up sheet.</p>
June 9, 2003	Departments begin entering and revising Fiscal Year 2004 budget data, Five-Year Capital Improvement Budget, and the Recommended Three-Year Budget.
June 30, 2003	<p>New Position(s) Requests and Justification for New Position(s) completed and submitted to the Administrator's Office.</p> <p>PLEASE NOTE: Department personnel will NOT enter Personnel expenses (500 series line-item accounts) into the computer. The Assistant County Administrator will enter all Personnel expenses (500 series line-item accounts). Departments must submit Personnel budget requests to the Administrator's Office by June 30, 2003.</p>

(2)

MONTH/DATE

ACTIVITY TO BE COMPLETED

This information will be entered into the computer by July 14, 2003 and transmitted to the departments by July 21, 2003.

July 7, 2003

Department Narrative Description, Program Objectives completed.

Revenue (400 series line-item accounts) completed and entered into computer.

Materials and Supplies (600 series line-item accounts) completed and entered into computer.

Contractual Expenses (700 series line-item accounts) completed and entered into computer.

Capital Outlay (800 series line-item accounts) completed and entered into computer.

Recommended Three-year Budget for Fiscal Year 2005, Fiscal Year 2006, and Fiscal Year 2007 completed and entered into computer.

Five Year Capital Improvement Budget completed and submitted to the Administrator's Office.

July 7, 2003

Budget Data Entry System locked by Information Services. All Fiscal Year 2004 Budget data and Recommended Three-year Budget data should be completed and entered.

July 14, 2003
through
August 15, 2003

County Administrator reviews the departmental budget requests and meets with department heads to discuss their budget requests.

September 5, 2003

County Administrator advises departments of revenue/expenditure status.

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MONTH/DATE

ACTIVITY TO BE COMPLETED

September 16, 2003

Recommended Fiscal Year 2004 Budget presented to the County Board.

September 16, 2003
through
November 7, 2003

Oversight Committees and Executive Committee review the Recommended Budget.

November 12, 2003

Review of Fiscal Year 2004 Recommended Budget, including all Oversight Committee recommendations, by the Executive Committee.

November 18, 2003

County Board approves and adopts Fiscal Year 2004 Budget.

December 31, 2003

Fiscal Year 2004 Adopted Budget entered to create the Auditor's and Treasurer's record for the new fiscal year.